

HEALTH BENEFIT PLAN RATE FILING
Submission Requirements for Large Group Filings
*In Reference to Health Benefit Plan as Defined in Kentucky Revised Statute 304.17A-005
and Administrative Regulation 806 KAR 17:150E*

1. A Large Group filing may include each product type offered:
 - a. FFS
 - b. PPO
 - c. POS
 - d. HMO

2. Each filing shall include two (2) copies of the following forms:
 - a. HIPMC-R32 Health Benefit Plan Rate Filing Information Form
 - b. HIPMC-F1 "face sheet and verification form"
 - c. Income and Expense Worksheet

3. The following shall accompany each filing:
 - a. A fee of **\$100** (or Domiciliary Fee-whichever is greater)
 - b. Annual Report (1 copy)
 - c. Self-addressed and postage-paid envelope (1)

4. An insurer shall submit one copy of **all** written material to the Attorney General's Office at the same time as the written material is submitted to the Department of Insurance
Written materials include:
 - a. Amendments
 - b. Updates
 - c. Additional information
 - d. Responses to inquiries from the Department of Insurance
 - e. **Two copies** of all correspondence, with the Department or other state agency concerning the filing shall be submitted by the insurer to the Department

5. The actuarial memorandum shall include:
 - a. Qualifications of the signing actuary
 - b. A statement identifying when the company will begin using the proposed ratesand a discussion of the rate development and a detailed explanation of the following:
 - a. The effects of each of the following mandated benefits with the percentage cost and actual dollars attributable to the rates and the number of affected policyholders for:
 - Treatment of inherited metabolic disorders
 - Benefit plans offering pharmacy benefits, formula costs of inherited metabolic disorders
 - Mammograms
 - Mental Health Conditions in accordance with KRS 304.17A-661 applicable to Associations & Large Group filings only

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- b. The claims cost development including:
- Methodology
 - Any assumption including
 - Trend and supporting analysis which supports the trend level selected
 - Any benefit change
 - Any utilization or cost-per-service change
 - Any demographic change
 - Any change in medical management
 - Any change in provider contracts
 - Any other assumption used and
- c. Experience by month, including exposures or members, earned premium, paid claims, incurred claims and incurred loss ratio, for the last three (3) years for this product, or for a similar product if this filing is for a new product
- d. The anticipated pricing loss ratio including a detailed justification of the following load factors and percentages allocated with an explanation for any change from the factor used for existing rates. It shall be explained how these costs are allocated among each benefit plan design. Attach demonstrative documentation as an exhibit:
- Administrative expenses
 - Commissions
 - Federal, state and local taxes
 - Investment income
 - Profit and contingency
 - Assessments (KY Access/GAP) pursuant to KRS 304.17B-021
 - Any other identified factors
- e. A detailed discussion of how the projected net assessments and refunds under KY Access/GAP (KRS 304.17A-460 and KRS 304.17A- 470) are included in establishing the proposed rates in the filing

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- f. Information regarding how fees are paid to providers as follows:
- Justification of fees paid to providers in relation to the rate requested, including assumptions used regarding provider discounts in the rate filing
 - The average discount paid to providers during the experience period and the average discount for the following payments:
 - physician
 - hospital
 - laboratory
 - pharmacy
 - mental health
 - any other payments for the rate filing period
- g. Trend rate, if used, and time period to which the trend applies and the applicable annual trend rate and the periodicity of the factor, such as monthly or quarterly
- h. Explanation of the anticipated effect of the requested rates on the current policyholders, subscribers, or enrollees
- i. Development of rating basis as an exhibit including each adjustment for:
- Age
 - Gender
 - Family composition
 - Benefit plan
 - Industry
 - Healthy lifestyle
 - Any other adjustments
- j. Any formula for new and renewal business including definitions of each term used in the formula
- k. Credibility criteria used in conjunction with experience rating
- l. Detailed explanation of any change in the manual or experience rating formula
- m. Detailed explanation of any change in factors that would be used in any formula
- n. Any periodic trend rate applied in the formula
- o. The composite effect of any change in formula and formula factors
- p. Detailed explanation of any trend assumption used in experience rating